

# Exhibit 1

Business

# Goldman, Citigroup Targeted by Diversity Activists in 2017

By [Laura Colby](#)

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- Shareholders seek gender pay-gap data, statistics on hiring
- Focus on banks follows successful campaign on tech companies

## Diversity Activists Target Goldman, Citigroup



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A trio of activist investors is targeting big U.S. financial institutions in 2017, demanding they disclose compensation data for men and women, and publish statistics about the race and gender of their employees.

Goldman Sachs Group Inc., Citigroup Inc., Bank of America Corp. and Wells Fargo & Co. are among the companies in the sights of Arjuna Capital, Trillium Asset Management and Pax World Management, which say a diverse workforce produces better results. Though the investors are

relatively small, each managing a few billion dollars, they have succeeded in pushing technology goliaths such as Apple Inc. and Intel Corp. to divulge information about pay gaps.

Boston-based Arjuna has filed proposals, typically voted on by shareholders at annual meetings, asking Bank of America, Wells Fargo, American Express Co. and Citigroup to report disparities in pay for male and female employees. It plans to file a similar proposal at JPMorgan Chase & Co. on Tuesday, said Natasha Lamb, Arjuna's director of equity research and shareholder engagement.

In the 2016 proxy season, Lamb filed proposals at nine technology companies, including Apple and Intel, asking them to disclose their gender pay gaps. Seven agreed to make their gaps public and take steps to close them.

"Given the financial benefits of diverse leadership teams, the female talent gap is simply bad for business," Lamb said in an e-mail Monday. "Moving women up the ladder is critical, and companies can start by addressing structural barriers, including the gender pay gap."

## Under-Represented

As in technology, women lag men in finance leadership positions and pay. Women compose 49 percent of the workforce at the roughly 20 U.S. banks that have at least \$25 billion in capital, but account for only about 21.5 percent of board members and just 19.7 percent of executives, according to data compiled by Bloomberg. A 2016 Glassdoor survey found a 6.4 percent gender pay gap in the financial industry, one of the highest.

Pax World Management, which is based in Portsmouth, New Hampshire, and oversees about \$4 billion, filed five resolutions on gender pay equity this fall, including one at Goldman Sachs and one at Bank of New York Mellon Corp., which was co-filed with Arjuna. Pax said it's in talks with both companies.

While only a tiny proportion of shareholder proposals actually go to a vote, and fewer pass, the activists said they aim to draw attention to the issue and get companies to engage with them. Under Securities and Exchange Commission rules, investors need to hold a stake of \$2,000 in a company for a minimum of a year before they can file a proposal.

Trillium Capital has filed resolutions seeking disclosure of data about race and gender at more than half a dozen financial companies, including T. Rowe Price, First Republic Bank, Travelers Cos., Jones Lang LaSalle Inc., PNC Financial Services Group Inc., Aflac Inc. and Fifth Third Bancorp.

## Demonstrating Progress

Trillium withdrew a proposal filed with Visa Inc. this year after the company agreed to release data on race and gender it reports to the U.S. Equal Employment Opportunity Commission.

Trillium focused on financial companies because they aren't transparent about diversity, said Brianna Murphy, who's in charge of shareholder advocacy at the investor.

"We need companies to demonstrate progress using metrics," Murphy said. Firms should disclose the wage gap, leave policies and working hours in addition to the EEOC data, she said.

The focus on diversity has sharpened under President Barack Obama, who has proposed adding compensation data to statistics that companies must report annually to the EEOC about race and gender at each level of leadership. But even with President-elect Donald Trump's opposition to "political correctness," companies aren't likely to abandon efforts at diversity because research has shown that diverse groups make better decisions and diverse companies get better returns, activists said.

Mixed-gender investment teams also consistently outperform male-only managers, according to a Morningstar Inc. study published last year.

"Companies thoroughly understand the business case," said Heather Smith, lead sustainability research analyst at Pax, which manages the Global Women's Index Fund, a selection of companies with strong female representation that outperformed its benchmark for the year ended Oct. 31. "I don't see the topic going away any time soon."

*(Updates with Morningstar study in penultimate paragraph.)*

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## In this article

GS

**GOLDMAN SACHS GP**

220.71 USD ▼ -1.67 -0.75%

C

CITIGROUP INC

50.13 USD ▼ -0.27 -0.54%

2111371Z

TRILLIUM ASSET MANAGEMENT

Private Company

BAC

BANK OF AMERICA

27.26 USD ▼ -0.32 -1.16%

WFC

WELLS FARGO & CO

24.74 USD ▼ -0.17 -0.66%